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THE CLEVELAND AND PITTSBURGH
RAILROAD COMPANY,

TO

THE PENNSYLVANIA RAILROAD
COMPANY,

OCTOBER 25th, 1871.

To TAKE EFFECT DECEMBER 1ST, 1871.

CLEVELAND, O.:

FAIRBANKS, BENEDICT & CO., PRINTERS, HERALD OFFICE, BANK STREET.

1874.

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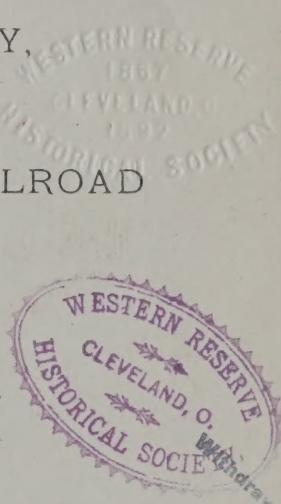
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LEASE.

CLEVELAND & PITTSBURGH RAILROAD CO.

TO THE

PENNSYLVANIA RAILROAD CO.

This Indenture, made the twenty-fifth day of October, in the year of our Lord one thousand eight hundred and seventy-one, (1871), between THE CLEVELAND AND PITTSBURGH RAILROAD COMPANY, duly formed and organized under the laws of the States of Pennsylvania and Ohio, party of the first part, and THE PENNSYLVANIA RAILROAD COMPANY, duly formed and organized under the laws of the State of Pennsylvania, party of the second part, WHEREAS, the said party of the first part owns and operates a certain railroad commonly known as the CLEVELAND AND PITTSBURGH RAILROAD, which extends from the town of Rochester, in the State of Pennsylvania, by the way of Wellsville, in the State of Ohio, to the city of Cleveland, in the State of Ohio, and also extends from the mouth of Yellow Creek, near Wellsville, via Steubenville to Bellaire, in the said State of Ohio ; and also a certain other Railroad or Railway which extends from Bayard to New Philadelphia, in the State of Ohio, and which intersects and connects with the said CLEVELAND AND PITTSBURGH RAILROAD at Bayard, in the said last mentioned State, known as the TUSCARAWAS EXTENSION OF THE CLEVELAND AND PITTSBURGH RAILROAD ; also certain tracks, shops, depots and other property in the cities

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of Manchester, Allegheny and Pittsburgh, in the County of Allegheny, State of Pennsylvania ; and whereas the said party of the second part owns and operates a certain Railroad, commonly known as the PENNSYLVANIA RAILROAD, which connects with the said CLEVELAND AND PITTSBURGH RAILROAD aforesaid, by means of intervening Railroad, and extends by way of Harrisburgh to the city of Philadelphia, in the said State of Pennsylvania ; and whereas the said PENNSYLVANIA RAILROAD and the said CLEVELAND AND PITTSBURGH RAILROAD, united by means of intervening road, constitute practically a continuous line of railroad, extending from the city of Philadelphia aforesaid, to the cities of Cleveland and Bellaire and to other points, and the parties hereto deem it to be for their common interest, and to the advantage and benefit of each of them, that the said CLEVELAND AND PITTSBURGH RAILROAD should be leased and operated by the said PENNSYLVANIA RAILROAD COMPANY, its successors and assigns, for the annual rental hereinafter reserved, and upon and subject to all and singular the terms, agreements and conditions hereinafter mentioned and set forth.

Now, THEREFORE, THIS INDENTURE WITNESSETH, That the said party of the first part, as well for and in consideration of the rents, covenants and agreements hereinafter mentioned, reserved and contained on the part and behalf of the said party of the second part, to be paid, kept and performed, as of the sum of one dollar, lawful money, paid by the said party of the second part, to the party of the first part, the receipt whereof is hereby acknowledged, hath granted, demised and leased, and by these presents doth grant, demise and lease unto the party of the second part, all and singular, the railroad now owned and operated by the said party of the first part, and commonly known as the CLEVELAND AND PITTSBURGH RAILROAD, which extends from the point of connection with the PITTSBURGH,

FORT WAYNE AND CHICAGO RAILWAY, at Rochester, in the County of Beaver and State of Pennsylvania, by the way of Wellsville, in the State of Ohio, into the city of Cleveland, Cuyahoga County, State of Ohio, and also extends to the town of Bellaire, in the County of Belmont and State of Ohio, with branch to New Philadelphia, also in said State of Ohio, and also with certain tracks in Manchester, Allegheny City and Pittsburgh, in said State of Pennsylvania, being a distance of two hundred and two (202) miles, more or less, including in the premises hereby demised, all the railroads, ways and rights of way, and all the depot grounds, docks, real estate property, and all the main and side tracks, bridges, viaducts, culverts, fences and other structures, and all the depots, station houses, engine houses, car houses, freight houses, wood houses and other buildings, and all the machine shops and machinery and fixtures therein, and other shops appertaining to the said CLEVELAND AND PITTSBURGH RAILROAD and the said extensions, branches, tracks, or either thereof, and now owned by the said party of the first part, and including also all locomotives, tenders, passenger, baggage, freight and other cars, and all the other rolling stock and equipment and property belonging to the said party of the first part, and all revenues arising therefrom, and also the benefits arising from existing sinking fund and all accretions thereof, and all funds of similar character, which may be provided for and paid by the said second party during the term of this lease, together with all rights, privileges and franchises connected with, or relating to, the said demised Railroad, and the said extensions, branches, tracks, or either thereof, or to the construction, maintenance, use or operation of the same. *Provided* always, however, that nothing herein contained shall operate to grant or demise, or be construed to include the franchises to be a corporation, heretofore granted to the said party of the first part, or the corporators thereof, by the

States of Pennsylvania and Ohio, respectively, or any other right, privilege or franchise which is or may be necessary to preserve the corporate existence or organization of the party of the first part, under its several charters, and all the said franchises to be a corporation, and also all the rights, privileges and franchises last aforesaid, are hereby expressly reserved and excepted from these presents.

To HAVE AND TO HOLD the said Railroads and premises, with the appurtenances, unto the said party of the second part, its successors and assigns, from the first day of December, in the year one thousand eight hundred and seventy-one, (1871), for and during and until the full end and term of nine hundred and ninety-nine (999) years thence next ensuing, and fully to be complete and ended; the said party of the second part, its successors and assigns, yielding and paying therefor unto the said party of the first part, its successors or assigns, yearly and every year during the said term hereby granted, the yearly rent hereinafter specified, and keeping and performing all and singular the covenants and agreements hereinafter set forth to be by the said party of the second part kept and performed.

ARTICLE FIRST.—The annual rent hereby reserved shall be and consist of the sums in this article specified, and the same shall be paid in lawful money of the United States of America, by the party of the second part to the party of the first part, at the times and places and in the manner following:

First.—Seven hundred and eighty-six thousand, seven hundred and ninety-five (786,795) dollars shall be paid in each and every year during the term aforesaid, in quarterly yearly installments; that is to say, one hundred and ninety-six thousand six hundred and ninety-eight dollars and seventy-five cents on the first day of March, for and in respect to the quarter ending on the last day of February

preceding; a like sum of one hundred and ninety-six thousand six hundred and ninety-eight dollars and seventy-five cents on the first day of June, for and in respect to the quarter ending on the last day of May preceding; a like sum of one hundred and ninety-six thousand six hundred and ninety-eight dollars and seventy-five cents on the first day of September, for and in respect to the quarter ending on the last day of August preceding; and a like sum of one hundred and ninety-six thousand six hundred and ninety-eight dollars and seventy-five cents on the first day of December, for and in respect to the quarter ending on the last day of November preceding; the first quarterly payment thereof to be made on the first day of March, in the year one thousand eight hundred and seventy-two, (1872).

The said several installments shall be paid at the office or agency for the time being, of the party of the first part, in the city of New York, except in any case in which the party of the first part shall have designated in writing a different place, within either of the States in which some part of the said Railroad is situate, for the payment of any installment, in which case the payment of such installment shall be made at the place so designated. Such sum of seven hundred and eighty-six thousand seven hundred and ninety-five dollars shall be exclusive of all taxes which are now or may at any time hereafter be imposed by the government of the United States, or by or under the authority of the government or laws of either of the States of Pennsylvania and Ohio, upon the stockholders of the party of the first part, or any of them, in respect to any capital stock in, or any dividends upon, or any income derived from capital stock, in the said CLEVELAND AND PITTSBURGH RAILROAD COMPANY, or upon such capital stock or any income derivable therefrom, so far as such taxes shall be payable or collectable through the party of the first part or the party of the second part or any officer or agent thereof, or shall be in

any lawful manner required to be collected or paid through either of the said parties, or any officer or agent thereof, before the actual receipt of such dividends by such stockholders; it being the true intent and meaning of these presents, that the said sum of seven hundred and eighty-six thousand seven hundred and ninety-five dollars shall at all times hereafter be and remain applicable by the party of the first part, as a dividend fund for the stockholders of the said party of the first part, without any deduction or abatement on account of any such tax, and that every such tax shall be paid by the party of the second part, in addition thereto.

Second.—In addition to the aforesaid sum of seven hundred and eighty-six thousand seven hundred and ninety-five dollars, a further sum shall be paid by the party of the second part to the party of the first part, in each and every year, which shall be sufficient to provide for and pay all installments of interest and all installments of sinking fund that accrue after December 1st, 1871, and which may become payable during such year by the party of the first part, upon Bonds issued or owing by the said first party; and also such sums of money as may be needed or required to redeem and pay the principal of said Bonds as they mature. Provided the said first party will furnish its duly executed Bonds, secured by a general mortgage on its Railroad, its franchises, equipment, revenues and property of every kind and nature whatsoever, acquired or that may thereafter be acquired. And said first party hereby agrees to deliver to said second party, Bonds duly executed and secured to such amount, and in such form, and at such rates of interest, as, in the judgment of said second party, will be sufficient, at current market values therefor, to meet the principal of all of said Bonds redeemed, paid or exchanged by said second party, and also to pay for or to exchange all outstanding Bonds at their par value, which

new Bonds the said second party shall pay as they mature or cause to be exchanged for new Consolidated Mortgage Bonds, and all Bonds so paid or exchanged shall be duly canceled and destroyed, and the liens therefor be satisfied ; and upon the issue of said new Consolidated Bonds, for any of the purposes aforesaid, the said second party shall become liable for, and pay all interest on, said new Bonds, and when the principal of said new Bonds mature they shall be redeemed in like manner, and new Bonds be substituted so often as the same may be required for that purpose during the term of this lease. And such of said Bonds as shall, by the terms thereof, be convertible into the Capital Stock of the said party of the first part, shall still be exchangeable, at the option of the holders or owners thereof, into the stock of the Company as it may then exist ; and in lieu of the interest on said Bonds, if any are so converted, the said parties of the second part shall pay a like amount on account of the stock substituted therefor. Provided, however, and it is hereby agreed in respect to the several installments of rent, interest and sinking fund, by this article made payable at the office or agency of the party of the first part in the city of New York, that if the party of the first part shall give to the party of the second part reasonable notice in writing for the payment of any such installment, at a place within either of the States within which the said CLEVELAND AND PITTSBURGH RAILROAD, or any part thereof, is situate, such installments shall be paid at that place.

And said party of the first part hereby promises and agrees, that if the several sums of money herein provided to be paid on account of interest and sinking fund on said Bonds, shall be paid to the said party of the first part, as herein agreed, the same shall be promptly applied to the payment of said interest and sinking fund, and due evidence of such payments and application be furnished to the said

party of the second part when required; and that if the said party of the first part receiving the several sums of money aforesaid, shall, in any year, fail to apply the same in payment of such interest and sinking fund as it matures, the interest or sinking fund so remaining unpaid may be paid by the said party of the second part directly, to the parties to whom the same may be due from the said party of the first part, and the amount thereof charged to the said party of the first part on account of the rent herein reserved.

ARTICLE SECOND.—It being provided herein that the term hereby granted shall begin on the first day of December, in the year eighteen hundred and seventy-one, it is hereby agreed and declared that the rental provided to be paid by Article First of these presents, shall commence to run on that day and shall be payable as the same matures, beginning with the said first day of March, A. D. eighteen hundred and seventy-two.

ARTICLE THIRD.—The party of the second part, for itself, its successors and assigns, hereby covenants, promises and agrees to and with the party of the first part, its successors and assigns, in consideration of the execution to it of this lease, that the said party of the second part, its successors and assigns shall and will, yearly, and in each and every year of and during the term aforesaid, well and truly pay, or cause to be paid, unto the said party of the first part, its successors or assigns, the yearly rent hereinbefore reserved, to wit, the several sums provided or required by Article First of these presents, to be paid by the said party of the second part, to or on account of the said party of the first part, in the installments, at the times and in the manner in the said article mentioned.

ARTICLE FOURTH.—The party of the second part shall and will, at its own proper cost and expense, and without deduction from the rent aforesaid, operate and run the said demised Railroads, at all times during the said term, in the same manner as the said party of the first part (as the owner thereof or otherwise) is now or shall or may at any time hereafter be required by law to do; and the said party of the second part shall and will, at its own proper cost and expense, and without deduction from the rent aforesaid, at all times during the said term, maintain, preserve and keep the Railways and premises hereby demised, and every part of the same, in thorough repair, working order and condition, and supplied with rolling stock and equipment, so that the business of said demised Railway shall be preserved, encouraged and developed, and that the same shall be at all times done with safety and expedition, and the public be accommodated, in respect thereto, with all practicable convenience and facilities, and that all future growth of such business, as the same may arise or be reasonably anticipated, shall be fully provided for and secured, and the party of the second part hereby promises and agrees to and with the party of the first part, that the said party of the second part shall and will, at its own proper cost and expense, and without deduction from the rent aforesaid, from time to time, and whenever needed during the term aforesaid, do or cause to be done to and upon the said demised Railroads and premises, any and all repairs, replacements and renewals, and also, in the manner expressed in the Ninth Article of these presents, any and all additions, constructions and improvements which may be reasonably required for the purposes aforesaid, and provide thereon such rolling stock and equipment and other facilities as shall or may be reasonably required for the purposes aforesaid; and that the said party of the second part shall and will use all

reasonable efforts to maintain, develop and increase all the business of said Railroads.

ARTICLE FIFTH.—The said party of the second part shall and will, from time to time, and as often as the same shall become due, also pay and discharge, without deduction from the rent aforesaid, any and all taxes, assessments, duties, imposts and charges whatsoever, which shall or may be levied, assessed or imposed, during the said term, by any governmental or lawful authority whatsoever, upon the said demised Railroads and premises or any part thereof, or upon any business or earnings or income of the same, or upon the party of the first part, with respect to the said demised Railways and premises or any part thereof, or any business or earnings or income of the same; or upon the party of the first part, for or with respect to any money which shall be paid or which shall become payable to the said party of the first part, as or on account of the rental hereinbefore reserved in Article First of these presents, or any money which shall be paid or become payable to the said party of the first part, in pursuance of these presents, or with respect to any interest or rights under these presents, or upon such money interests or rights, or which shall or may be levied, assessed or imposed upon any stockholder or stockholders of the party of the first part, in respect to capital stock in the said party of the first part, or in respect to any dividends upon or any income from such capital stock, or upon such dividends or income or capital stock, by or under any governmental authority which is or may be exercised over any territorial jurisdiction within which any part of the said demised Railroads and premises is or may be situate, except such as shall be collected by or under the laws of any State from its own citizens personally, without any action upon or through or any intervention or service of either of the parties hereto or any officer or agent

thereof; it being the true intent and meaning of these presents, that all governmental charges upon the aforesaid property or the stockholders, with respect to such property or income therefrom, which may be imposed by or under any governmental authority capable of enforcing such charges against or through the said property or the corporation owning or leasing the same, shall be assumed and satisfied by the party of the second part, however the forms thereof may change during the term of these presents; but that the said party of the second part shall not be or become liable to pay any tax imposed by any law of any of the States within which the said CLEVELAND AND PITTSBURGH RAILROAD or any part thereof is situate, or by any law of any other State upon citizens of such State personally, in respect to stock held by them or dividends or income derived by them therefrom, which shall be collected from such citizens personally, without any action upon or through or any intervention or service of the party of the first part or any officer or agent thereof; nor shall anything herein contained be construed to render the party of the second part liable to pay any tax imposed by the government of the United States or of any State specifically upon income derived from interest on the Bonds of the party of the first part; and said second party shall also pay the proportion of taxes assessed for the years 1871 and 1872, that rateably accrue after possession of property, December 1st, 1871.

ARTICLE SIXTH.—Whereas the said party of the first part has also hereinbefore made and entered into other contracts [for the use of a part of the PITTSBURGH, FORT WAYNE AND CHICAGO RAILWAY] and agreements in relation to the business of said demised Railroads; and it is the intent and meaning of these presents, that all contracts relating thereto should be assumed and carried out by said party of the second part, that the benefit thereof should inure and the

liability thereof should rest on the said party of the second part, in the place and stead of the party of the first part. Now, therefore, the said party of the first part hereby sells, assigns, transfers and sets over unto the said party of the second part, all the right, title and interest of the said party of the first part, in and under all contracts and agreements in relation to the business to be done on the said demised Railroads, or any part thereof not hereinbefore specifically transferred, and the said party of the second part hereby assumes the performance of the same on the part and behalf of the said party of the first part, according to the true intent and meaning thereof; and the said party of the second part hereby covenants, promises and agrees to and with the said party of the first part, that the said party of the second part shall and will at all times hereafter forever save and keep harmless and indemnified the said party of the first part, its successors and assigns of, from and against all costs, damages, expenses, liabilities, claims and demands whatsoever, which may exist or shall or may arise under the said contracts and agreements or either thereof.

ARTICLE SEVENTH.—The party of the second part shall and will, at all times during the term aforesaid, allow and pay to the party of the first part, without deduction from the rent aforesaid, and as part of the necessary expenses of carrying on the business of the said demised Railroads, and for the purpose of enabling the said party of the first part to maintain and preserve its corporate organization and pay the salaries of its officers and provide for payment of dividends, coupons and principal of Bonds at their maturity from time to time, and also provide such transfer and registry of stock as to the said first party may seem needful, the sum of ten thousand dollars per annum, to be paid in four equal quarterly installments of twenty-five hundred dollars each, on the first days of March, June, September and

December in each and every year of the said term, the first payment of twenty-five hundred dollars to be made on the first day of March, A. D. eighteen hundred and seventy-two.

ARTICLE EIGHTH.—The said party of the second part shall and will, at all times during the term aforesaid, and the continuance of this lease, keep an office in the city of Cleveland, which shall be open at all reasonable hours and times for the transaction of the business of the said demised Railroads, and shall reserve and furnish in the said office, free of charge, one suitable and convenient room for the use of the President and Secretary and Board of Directors of the said party of the first part; and the said party of the second part shall, at all times during the said term, keep at the said office in the city of Cleveland, full, true and just accounts of all moneys received and business done upon the said demised Railroads and premises, and of all moneys paid, laid out and expended, and liabilities incurred in connection with the same, and also full statistical accounts, similar to those now kept by the said party of the first part, in or under the direction of a certain accounting department, designated as a Bureau of Statistics, at the office of the said party of the first part, in the city of Cleveland. The accounts to be kept by the said party of the second part, as above provided, and any and all accounts which shall or may be kept by the said party of the second part in relation to the said demised Railroads, or the business of the same, shall, at all reasonable hours and times during the continuance of this lease, be open to the inspection and examination of the President of the said party of the first part, and of such other person or persons as the said party of the first part shall from time to time, or at any time, by resolution of its Board of Directors, appoint to examine the same; and the said party of the second part shall, at its own proper cost and expense, annually, to wit: on or

before the first day of March in each year, during the continuance of this lease, furnish to the said party of the first part a detailed statement, duly authenticated, of the earnings, income and receipts arising from the said demised Railroads and premises during the year ending on the thirtieth day of November last preceding the said first day of March; and also a detailed statement, similarly authenticated, of all expenditures made by the said party of the second part upon the said demised Railroads and premises, in the repair, replacement, renewal, improvement and equipment thereof, which statement shall specify the purpose of any and all such expenditures; and it is hereby further agreed and declared that the party of the second part shall, at its own proper cost and expense, from time to time, and whenever necessary for the use of the party of the first part, make out and furnish to the said party of the first part any and all reports and statements which the said party of the first part is now, or may be hereafter, required to make or file, under or by virtue of any law of either of the States of Pennsylvania or Ohio, now existing or which may hereafter be enacted by any other lawful or competent authority.

ARTICLE NINTH.—The party of the first part hereby agrees that for the purpose of enabling the party of the second part to meet the obligations of the party of the first part to the public, by making, from time to time, such improvements upon and additions to the said CLEVELAND AND PITTSBURGH RAILROAD, in the extension of facilities for increasing business by additional real estate and rights of way, locomotives, cars and other transportation equipments, also tracks and depots, shops and equipments, and the substitution of stone or iron bridges for wooden bridges, or steel rails for iron rails, the party of the first part will issue, from time to time, a special stock, which

shall bear such name as shall be hereafter designated by said second party, or bonds or other securities, to represent the cost of all such property, improvements, substitution and changes, which special stock or bonds shall be issued in such form as may, from time to time, in the opinion of said second party, be found most available with respect to economy of interest and negotiability, and shall be consistent with the legal powers of the party of the first part and the rights secured by these presents, which special stock or bonds or other securities shall be issued on the conditions following. The said party of the second part, as lessee, shall guarantee the payment semi-annually or quarterly thereon of such rate of interest as may be fixed therefor, by the party of the second part, said interest to be paid by the party of the second part to the party of the first part, or to the holders thereof, without deduction from the rent hereinbefore reserved; and the said special stock or bonds or other securities shall be issued only in respect to improvements of and additions to the said Railroad, which shall in the judgment of said second party be needful and be authorized by the Engineer and Superintendent, and be duly approved by the Board of Directors of said second party, and duly certified evidence thereof be furnished, from time to time, to the said party of the first part; and the said second party shall be entitled to receive from said first party every six months during the term of this lease; and said first party agrees to pay over every six months all securities that may be needful to settle and adjust all outlay made by said second party under the provisions of this article. The party of the first part shall not, at any time during the term aforesaid, and the continuance of this lease, make or issue any bond, stock or obligation, in addition to the bonds, stocks or obligations issued and outstanding or duly authorized previous to the date of this lease, without

the consent in writing of the said party of the second part first had and obtained thereunto.

ARTICLE TENTH.—Possession of the said demised Railroads and premises shall be given by the party of the first part to the party of the second part, on the first day of December, eighteen hundred and seventy-one, and upon the delivery of such possession, the said party of the first part shall deliver and transfer to the said party of the second part, for use upon the said demised Railroads and premises, all machinery, tools, implements, furniture, fuel, material and other railroad supplies, belonging to the said party of the first part, which shall have been procured for the use of the said Railroads or either of them, and shall then remain on hand. And the said party of the first part shall settle, pay and discharge all wages, salaries and debts and liabilities incurred in operating the said demised Railroads, or either or any part of either thereof, up to that time, or for construction done or equipment received up to that time, and all other debts and liabilities which shall have matured or been incurred prior to the said first day of December, except those hereinbefore agreed to be paid or provided for by the said party of the second part; provided, and it is hereby agreed, that the said party of the second part shall and will, at the end of the time aforesaid, or other sooner determination of this lease, transfer and deliver in return to the said party of the first part, machinery, tools, implements, fuel, materials and other railroad supplies, equal in value to those delivered to it as aforesaid.

ARTICLE ELEVENTH.—The said party of the second part shall and will, at all times during the term aforesaid, bear, pay and discharge, at its own proper cost and expense, and without deduction from the rent hereinbefore reserved, and

any and all expenses, costs, damages, liabilities, claims and demands whatsoever, which shall or may arise out of the possession, management or operation of the said demised Railroads and premises, or of either or any part of either thereof, or out of the business of the same, and shall and will, at all times during the term aforesaid, hold, save and keep harmless and indemnified the said party of the first part, of, from and against any and all expenses of operating the Railroads and premises hereby demised, and all damages, liabilities, actions and causes of action, suits, claims and demands for injury to persons or property, or for causing the death of any person or thing through accident, neglect or default, during said term, or for breach of contract or wrong done or suffered by the said party of the second part, in the refusal to transport or negligence in transporting any person, property or thing, or by the loss, conversion or non-delivery of any property which the said party of the second part shall have agreed or undertaken or be bound to transport over the said Railroads, or either or any part of either thereof; or which the said party of the first part, as the owner of the said Railroads hereby demised, or either or any part thereof, is or shall be under any legal obligations by contract, public duty or otherwise, to transport thereon, and of, from and against any and all costs, damages, liabilities, actions and causes of action, suits, claims and demands whatsoever, which shall or may arise out of or in respect to the management, operation or business of the said demised Railroads and premises or either or any part of either thereof, during the term aforesaid. And the said party of the second part shall and will defend all suits and claims which shall or may be brought against the party of the first part during the said term in respect to any matter or thing arising out of the management or operation of the said demised Railroads, or either of them, or any part of either thereof, and

indemnify and save harmless the party of the first part of, from and against any and all matters and things whatsoever, existing or to arise, which might or could be a charge upon or operate to reduce the rent hereinbefore reserved or the fund aforesaid, to be applicable to the payment of dividends on the stock of the party of the first part, excepting only the debts and liabilities incurred in operating the said demised Railroads or either of them prior to the first day of December in the year 1871, which are mentioned in Article Tenth of these presents. And it is hereby further declared and agreed, that all the provisions of this article in respect to indemnifying and saving harmless the party of the first part, shall apply to the Railroads and premises of which leases or operating contracts exist, and each thereof, and the business of the same during the term of such leases or operating contracts respectively, in the same manner and to the same extent as if the said Railroads of which leases or operating contracts exist were portions of the premises demised by these presents.

ARTICLE TWELFTH.—In case the said party of the second part, its successors or assigns, shall at any time, or times, hereafter, during the term aforesaid, fail or omit to pay the rent hereinbefore mentioned or provided to be paid by the said party of the second part, or any part of such rent, when the same shall become payable as hereinbefore specified, or in case the said party of the second part, its successors or assigns, shall fail or omit to keep and perform the covenants and agreements herein contained, or any of them, and shall continue in default in respect to the performance of such covenant or agreement for the period of ninety days, then, and in either and every such case, it shall be lawful for the said party of the first part, its successors or assigns, at its or their own option, to enter

into and upon the Railroads and premises hereinbefore demised, and any and every part thereof, and remove all persons therefrom, and from thenceforth the said demised Railroads and premises, with the equipments and appurtenances thereof, and all additions and improvements which shall or may have been made to the same, to have, hold, possess and enjoy, as of the first or former estate of the said party of the first part in the said demised premises; and upon such entry for non-payment of rent, or breach or non-performance of any covenant or agreement herein contained, to be by the said party of the second part observed or performed, all the estate, right, title, interest, property, possession, claim and demand whatsoever of the said party of the second part, its successors or assigns, in or to the said demised Railroads and premises, or either, or any part of either thereof, as well as all the right, title and interest of the said party of the second part, its successors or assigns, in, under, or by virtue of the leases, contracts and agreements, or either of them hereby assigned or transferred to the said party of the second part, or assumed by it, shall wholly and absolutely cease, determine and become void, anything hereinbefore contained to the contrary thereof, notwithstanding; but, in case of re entry, as aforesaid, the rent provided in Article First of these presents, and the several installments thereof, shall be apportioned from the times of the last preceding payments of such installments up to the time of such re-entry, and such portions thereof as would have been payable, in respect to the intervening time, if the whole period in respect to which such installments were payable had elapsed, shall be deemed and taken to be due and payable, and the same shall be paid by the party of the second part. And it is further declared and agreed that such re entry shall not waive or prejudice any claim or right of the party of the first part to and for damages

against the party of the second part on account of such non-performance of rent, or non-performance or breach of the terms of this lease, and all such claims and rights are hereby expressly preserved to the said party of the first part.

ARTICLE THIRTEENTH.—The said party of the second part hereby covenants, promises and agrees to and with the said party of the first part that, at the end of the said term, or other sooner determination of this lease, the said party of the second part shall re-deliver and surrender up to the said party of the first part, its successors or assigns, the said demised Railroads and premises in at least as good order and condition as the same shall be delivered to the said party of the second part under this lease, and with such additions, betterments and improvements as shall have been made thereto; and also the rolling stock, equipment and other property delivered under this lease, in as good order and condition as reasonable use and wear thereof, proper repairs and replacements thereof being made from time to time, will permit, or rolling stock and equipment, or other similar property equal in value thereto, and also all additional rolling stock or equipment which shall be acquired or provided for use upon the said Railroads and premises or any of them, or upon any of the Railroads held by the party of the first part under leases or operating contracts which are assigned by these presents, so far as the said equipment and betterments shall have been provided by the issue of stock or bonds of said first party, under the terms of this lease.

ARTICLE FOURTEENTH.—And the said party of the first part hereby covenants, promises and agrees to and with the said party of the second part, its successors and assigns,

that the said party of the first part, its successors or assigns shall and will, at any time or times hereafter, and whenever thereunto requested by the said party of the second part, its successors or assigns, execute, acknowledge and deliver to the said party of the second part, its successors or assigns, at the proper cost and expense of the said party of the second part, its successors or assigns, any and all such further instruments and assurances in the law for the better demising and leasing of the said Railroads and premises to the said party of the second part, its successors or assigns, upon and subject to all and singular the rents, covenants, agreements and conditions hereinbefore reserved and mentioned as by the said party of the second part, its successors or assigns, or by its or their counsel, learned in the law, shall be reasonably advised, devised or required ; and the said party of the second part covenants, promises and agrees to and with said party of the first part, as aforesaid, that it shall and will, at any time or times hereafter, and whenever thereunto requested by said party of the first part, execute, acknowledge and deliver to said party of the first part, its successors or assigns, any and all instruments for the more effectually assuring unto said party of the first part, the payment of the rent hereinbefore reserved or agreed to be paid, and the performance of the promises and agreements hereinbefore set forth on the part and behalf of the said party of the second part to be performed, as by said party of the first part or by its counsel, learned in the law, shall be reasonably advised, devised or required.

ARTICLE FIFTEENTH.—It is hereby expressly declared and agreed by and between the said parties hereto, that these presents, and all the articles, covenants, agreements, terms and conditions thereof, shall take effect on the first day of December, A. D. eighteen hundred and seventy-one,

and the same shall be binding upon the said parties hereto respectively, and their respective successors and assigns.

In witness whereof, the said parties hereto have caused their respective corporate seals to be hereunto affixed, and the same to be attested by the signatures of their respective presidents and secretaries, the day and year first before written.

[L. S.] { THE CLEVELAND AND PITTSBURGH
 RAILROAD COMPANY,

By J. N. McCULLOUGH, *President.*

Attest:

G. A. INGERSOLL, *Secretary.*

[L. S.] THE PENNSYLVANIA RAILROAD COMPANY,

By J. EDGAR THOMSON, *President.*

Attest:

JOS. LESLEY, *Secretary.*

Sealed and delivered in }
the presence of us, }

Jos. LESLEY,
JNO. P. GREEN,
JNO. THOMAS,
J. W. REILLY.

STATE OF OHIO,
Town of Wellsville, County of Columbiana, } ss.:

Be it remembered, that on this seventh day of November, A. D. 1871, before me, the subscriber, a notary public within and for said county and State, duly commissioned and qualified according to law, personally appeared George A. Ingersoll, Secretary of the foregoing named corporation, THE CLEVELAND AND PITTSBURGH RAILROAD COMPANY, who, being duly sworn according to law, did depose and say, that he was personally present at the execution of the

foregoing indenture of lease, and saw J. N. McCullough, President of said corporation, execute the same and affix the seal of the said corporation thereto, as his own act and deed, and as the act and deed of said corporation ; that the seal so affixed thereto is the common or corporate seal of said corporation ; and that the signatures of J. N. McCullough as President, and of this deponent as Secretary, thereto subscribed in attestation of the due execution and delivery of said indenture, are in the proper and respective handwriting of said J. N. McCullough and of this deponent.

G. A. INGERSOLL.

Sworn and subscribed before me, the }
day and year aforesaid. Witness }
my hand and official seal. }

[L. S.] JAS. W. REILLY, *Notary Public.*

STATE OF PENNSYLVANIA, } ss.:
City of Philadelphia, }

Be it remembered, that on this sixth day of November, A. D. 1871, before me, the subscriber a notary public of the Commonwealth of Pennsylvania, in and for the said city, personally appeared Joseph Lesley, Secretary of the foregoing named corporation, THE PENNSYLVANIA RAILROAD COMPANY, who, being duly sworn according to law, did depose and say, that he was personally present at the execution of the foregoing indenture of lease, and saw J. Edgar Thomson, President of said corporation, execute the same and affix the seal of said corporation thereto, as his own act and deed, and as the act and deed of said corporation ; that the seal so affixed thereto is the common or corporate seal of said corporation ; and that the signatures of the said J. Edgar Thomson as President, and of this deponent as Secretary, subscribed thereto, in attestation of

the due execution and delivery of said indenture, are in the proper and respective handwriting of said J. Edgar Thomson and of this deponent.

JOS. LESLEY.

Sworn and subscribed before me, the
day and year aforesaid. Witness
my hand and official seal.

[L. s.] R. D. BARCLAY, *Notary Public.*

STATE OF OHIO, } ss.:
Columbiana County, }

Be it remembered, that on this seventh day of November, A. D. 1871, before me, the subscriber, a notary public within and for said county and State, duly commissioned and qualified according to law, personally appeared the said J. N. McCullough, President, and G. A. Ingersoll, Secretary, of THE CLEVELAND AND PITTSBURGH RAILROAD COMPANY, and severally acknowledged that they did sign and affix thereto the seal of the said corporation, by order of its Board of Directors, the foregoing instrument of lease, and that the same is their and the said CLEVELAND AND PITTSBURGH RAILROAD COMPANY's free act and deed, for the uses and purposes therein expressed.

In witness whereof, I have hereunto set my hand and affixed my official seal, the day and year above written.

[L. s.] JAMES W. REILLY, *Notary Public.*

SUPPLEMENTARY AGREEMENT:

Made this thirtieth day of November, in the year of our Lord one thousand eight hundred and seventy-one, (1871,) between the CLEVELAND AND PITTSBURGH RAILROAD COMPANY, party of the first part, and the PENNSYLVANIA RAILROAD COMPANY, party of the second part:

WHEREAS, The said CLEVELAND AND PITTSBURGH RAILROAD COMPANY, party of the first part, did, by indenture of lease, bearing date the twenty-fifth day of October, A. D. 1871, grant, demise and lease unto the said PENNSYLVANIA RAILROAD COMPANY, party of the second part, its successors and assigns, all the property of said CLEVELAND AND PITTSBURGH RAILROAD, as in said lease particularly mentioned and set forth: and

WHEREAS, By the terms of Section Second, Article First, of said lease, the said PENNSYLVANIA RAILROAD COMPANY, party of the second part, agrees to provide and pay all installments of interest and all installments of sinking fund, which may become payable during said lease, by the party of the first part, upon Bonds issued, or owing, or that might be thereafter issued or owing, by the said party of the first part: and also all such sums of money as might be needed or required to redeem and pay the principal and interest of the Bonds as they mature, as in the said lease is particularly set forth: and

WHEREAS, It is the intention of, and meaning of, these presents to fully determine, set forth and declare the

extent and amount of liability by said article incurred, to be paid and provided for by said party of the second part,

Therefore, It is hereby understood, and agreed by and between the said parties hereto, that the liabilities now existing are, and are only, as follows:

Second Mortgage Bonds, due September 1, 1873, now outstanding -	\$ 511,500 00
Annual interest at seven per cent.	\$35,805 00
Third Mortgage Bonds, due May 1, 1875 ..	\$1,252,000 00
Interest at seven per cent.	\$87,640 00
Fourth Mortgage Bonds, due January 1, 1892, now outstanding -	\$1,096,000 00
Interest at six per cent.	\$65,760 00
Consolidated Mortgage Bonds dated August 1, 1867, for \$5,000,000, due November 1, 1900, amount now outstanding -	\$1,000,000 00
Interest at seven per cent.	\$70,000 00

Sinking Fund for the last mentioned mortgage, based on \$25,000 per annum, with accruing interest on bonds retired by the Sinking Fund added each six months. There being now in said Sinking Fund \$124,000 00 in said Consolidated Bonds, due November 1, 1900.

The Trustee of the present General Mortgage for \$5,000,000 00 has on hand \$3,876,000 00, of the present Consolidated Bonds, by the sale of which (or so much thereof as may be required) to provide the means to redeem the present outstanding Second, Third and Fourth Mortgage Bonds, and the remainder of said General Mortgage Bonds, by the terms of the Mortgage, are applicable, under the direction of the Company, to provide for construction and equipment of the Roads.

There is also outstanding of Fractional Stock, which is subject to conversion into the Capital Stock when presented in sums of \$50 each.

\$12,053 26

There is also Scrip of Fourth Mortgage Bonds to the amount of \$8,843 63 payable at the same date as the Bonds, to wit, January 1, 1892, with simple interest at six per cent.

Therefore the entire liabilities of the said party of the first part, which are assumed by said party of the second part, on the first day of December, A. D. 1871, for Interest and Sinking Fund accruing annually thereon, will be and are as follows:

Second Mortgage Bonds	\$35,805 00
Third Mortgage Bonds	87,640 00
Fourth Mortgage Bonds	65,760 00
Consolidated Mortgage Bonds.....	70,000 00
Sinking Fund	25,000 00
Scrip Stock.....	1,205 33
Scrip Fourth Mortgage Bonds.....	530 62

	\$285,940 95
Interest on \$124,000 Bonds (at seven per cent.) now in Sinking Fund.....	8,680 00
To this liability add the Rental or Dividend to Shareholders	786,795 00
And also the present Government tax of 2½ per cent. on dividends.....	21,638 62
Also allowance for organization	10,000 00

Total liability	\$1,113,054 57

The said party of the first part hereby agrees to provide all amounts required to meet accruing interest, up to the first day of December, A. D. 1871.

It is hereby further understood that the said party of the second part shall, as stipulated in said lease, be entitled to any abatement that may be made in taxes or interest upon Bonds, and in like manner as stipulated in said lease, the said party of the second part shall be responsible for any

increase thereof; and it is hereby especially understood and agreed, that no Bonds, Stock or obligation, other than those recited and set forth in this agreement, shall be created or issued by the party of the first part, during the term of the said lease, without the sanction in writing of the said party of the second part, except that in the event of the suit of Otis and others against THE CLEVELAND AND PITTSBURGH RAILROAD COMPANY, to recover about three hundred and fifteen thousand dollars, being the difference claimed between convertible bonds and stock, (which suit has been decided by the lower courts in favor of the Company, and is now on appeal to the superior courts,) being finally decided against the Company, then and in that event the party of the second part agrees and does hereby authorize the appropriation by the Company of two hundred thousand dollars of its Consolidated Mortgage Bonds, now in the hands of the Trustees thereof, to be used by the Company in aiding it to pay said claim; and upon the issue of said Bonds for such purpose, the party of the second part shall assume and pay the interest on said Bonds, and provide for the principal thereof, in the same manner as is provided for the other Bonds of like character in said lease.

And as a consideration for the party of the second part assuming this contingent liability, which is not provided for in said lease, the party of the first part agrees, that all surplus assets that may remain in the hands of its Treasurer, after providing for the just debts and liabilities against the Company up to December 1st, 1871, including dividend on existing stock for the month of November, at the rate of ten per cent. per annum, clear of taxes, shall be held in reserve until the final decision of the said suit, and in the event of the same being finally decided in favor of the Company, all such surplus assets shall be deemed and taken to be the property of the party of the second part, and shall thereupon be paid over to the said party of the second part.

In witness whereof, the said parties to these presents have respectively caused their common or corporate seals to be hereunto affixed, duly attested, this the day and year first before written.

[L. S.] { THE CLEVELAND AND PITTSBURGH
 RAILROAD COMPANY,

By J. N. McCULLOUGH, *President.*

Attest:

G. A. INGERSOLL, *Secretary.*

[L. S.] THE PENNSYLVANIA RAILROAD COMPANY,

By J. EDGAR THOMSON, *President.*

Attest:

JOS. LESLEY, *Secretary.*

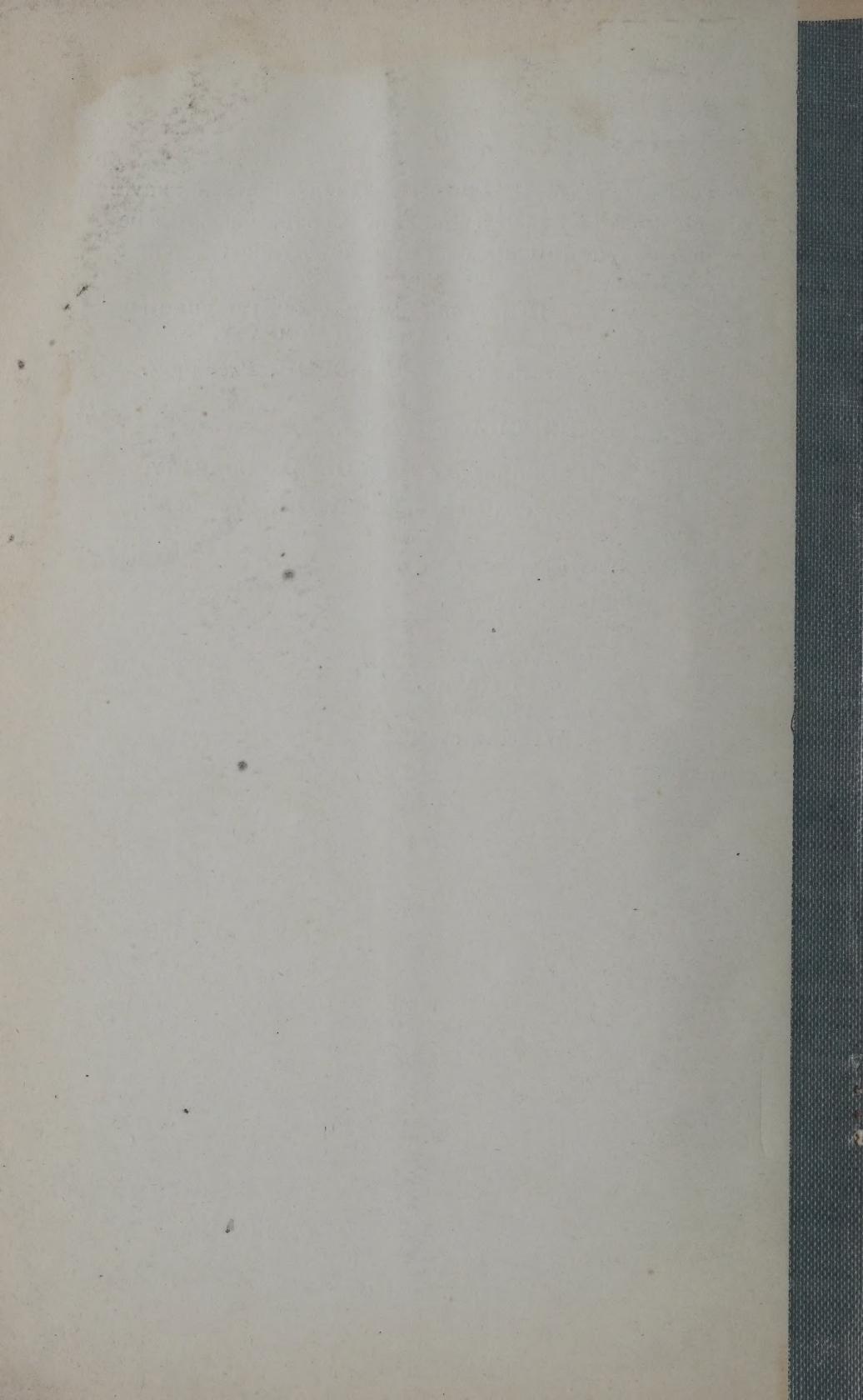
Sealed and delivered in }
the presence of us. }

JOS. LESLEY.

JNO. P. GREEN.

JNO. THOMAS.

J. W. REILLY.



Gaylord Bros.
Makers
Syracuse, N. Y.
PAT. JAN. 21, 1908

UNIVERSITY OF ILLINOIS-URBANA



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